(a) whether there is great scope and potential for economic co-operation in Information Technology Sector between India and Norway;

(b) if so, whether a good number of Norwegian companies have shown great interest in forging partnership with their counterparts in India;

(c) if so, the details thereof;

(d) whether the Norwegian companies facing shortage of skilled persons in diverse areas presently would welcome to engage Indian professionals in IT Sector;

(e) if so, whether this would *inter alia* facilitate and ease appointment of Indian IT professionals who are presently facing problems of downturn exodus and unemployment in USA; and

(f) if so, the details thereof?

THE MINISTER OF INFORMATION TECHNOLGOY (SHRI PRAMOD MAHAJAN): (a) to (c) Yes, Sir. Since the announcement of New Industrial Policy in August 1991, Government has approved 53 Foreign Direct Investment proposals and 24 Technical Collaboration proposals with Norway. With a view to explore feasibility of mutual cooperation a delegation led by Mr. Tore Sandvik, State Secretary at Norwegian Ministry of Trade and Industry visited India and had a meeting with Secretary IT on 19.3.2001. Following areas were identified for establishing co-operation between the two countries:

— IT Infrastructure
— Broadband communication technology
— Software application in hydro-power, sea-food industries
— Digital divide
— E-Governance

(d) to (f) Yes, Sir. Europe has been identified as potential market for Indian Software companies. Therefore, the efforts to make entry in European market would facilitate and ease appointment of India IT professionals who are presently facing problems due to recession in the U.S. industry.

Group on Consumer Electronic Sector in IT Ministry

3430. SHRI KRISHNA KUMAR BIRLA: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have set up a Group on Consumer Electronic Sector in his Ministry;

(b) if so, the purpose of constituting such a group;

(c) whether the growth rate of electronic sector in the country has fallen considerably in the past few years ;

(d) if so, the factors responsible therefor; and

(e) the steps taken by Government to save this sector?

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) Yes, Sir. A Specialist Group on Consumer Electronics was set up on 10.4.2001. The Group consists of 5 officers from Ministry of IT and President, Consumer Electronics and Television Manufacturers Association (CETMA). The Term of Reference of the Group is as follows:

"To study the production, exports and technology adoption of the Electronics Hardware indutstry in India with a special focus on Consumer products and associated components in the context of the gloobal scenario, examine the competitive strengths and weaknesses of Indian industry and infrastructure and financing issues and work out an Action Plan alongwith policy instruments in order to achieve leadership position in the global market by 2008".

(c) to (e) The production trends in the electronics sector during last 4 years has been as follows:

Year	Production in Electronics Sector (including Software) (Rs. crores)	Growth%
1997-98	32,070	20.4
1998-99	41,140	28.3
1999-2000	52,450	27.5
2000-01	68,450	30.5

Steps taken by the Government to promote Electronics Hardware sector are given in the statement.

Statement

Steps taken by the Government to promote Electronics Hardware Sector

1. Export Promotion Capital Goods scheme (EPCG) has been rationalised and extended uniformly to all sectors without any threshold limit on payment of 5% duty.

2. Approvals for all foreign direct investment proposals relating to the Information Technology sector, with the exception of Business-to-Consumer (B2C) e-commerce are under the automatic route.

3. Electronics Hardware Technology Park (EHTP) Scheme is implemented under the aegis of the Ministry of Information Technology through a single window mechanism of the Inter-Ministerial Standing Committee (IMSC).

4. DTA access upto 50% of the FOB value of export is permitted for electronics hardware units under EOU/EPZ/EHTP schemes. Broadbanding is permitted in the DTA sales of Hardware units for items covered in the Letter of Permission.

5. Accelerated depreciation norms for computers and computer peripherals for electronic units under Export-Oriented schemes (EOU/EPZ/STP/EHTP) have been enhanced. These shall stand depreciated to overall limit of 90% over a period of 3 years instead of around 5 years earlier.

6. Special Economic Zones are being set up to enable hassle free manufacturing and trading for export purposes.

7. Value addition norms for Rupee exports to Russia reduced from 100% to 33% under Advance Licensing Scheme.

8. The Depreciation of Computers has been allowed @ 60%.

9. In the Budget 2001-02, the peak rate of customs duty continues @35%. Customs duty surcharge @10% has been abolished on all imports, in general but Special Additional Duty (SAD) @4% continues on all imports, except specific exemptions. In the 2000-01 Budget, Customs duty on Computers and Peripherals had been reduced from 20% to 15% and continues to be same. The Customs duty on all storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors also continues at 0%. In the 2001-02 Budget, Customs duty on Information Technology Agreement (ITA-1) items of WTO (IT and Telecom products) has been reduced from existing 20-25% to 15%. The concessional rate of customs duty for specified raw materials for the electronics industry continues. Customs duty on parts of Telecom reduced to 5%. 32 items (additional) of Capital Goods allowed at a concessional duty of 5% for the manufacture of semiconductors.

10. In the Budget 2001-02, the Central Excise duty structure has been rationalised from multiple rates of single rate of 16% and single rate of Special Excise Duty (SED) @ 16%.

11. Second hand capital goods upto 10 years old have been made freely importable.

12. Information Technology Software is exempted from Customs and Excise Duty.

13. EOU/EPZ/EHTP units are exempted from payment of Income Tax on export profits, upto 2010, in terms of Section 10A and 10B of the Income Tax Act.

14. Exemption of withholding tax on interest on External Commercial Borrowings (ECBs) has been extended to the IT sector.

15. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to Internet Service Providers (ISPs) and Broadband Network providers.

16. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, solar or statistical research has been provided.

17. Information Technology Act, 2000 has been enacted. This act deals with Cyber Security, Cyber Crime and other information security related legal aspects. This will encourage expansion of e-commerce through internet.

Software Technology Parks of India for Fibre Landing Facility

3431. SHRI RUMANDLA RAMCHANDRAIAH : Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Standing Committee on Information Technology has asked the Planning Commission to review its decision of rejecting the proposals of Software Technology Parks of India for a fibre landing facility;

(b) if so, whether the STPI had earlier submitted a proposal for a Rs. 100 crore grant from his Ministry to set up such a facility;

(c) if so, whether the demand was rejected by the Planning Commission;

(d) whether Government accepted the recommendations of the Standing Committee; and